

# **PacifiCorp**

## **REQUEST FOR PROPOSAL**

**FOR TRADABLE RENEWABLE CREDITS (GREEN TAGS, as defined herein) AND ASSOCIATED RETAIL MARKETING FOR OREGON PORTFOLIO BLENDED RENEWABLE AND/OR HABITAT MITIGATION OPTIONS**

## **NEW AMENDED RFP** **REPLACING MAY 2001** **GREEN TAGS ONLY RFP**

**ISSUE DATE: August 23, 2001**

**DUE DATE: At or before 2 p.m. PDT on Thursday, September 20, 2001**

### **CONTACT:**

Roby Roberts  
PacifiCorp  
825 NE Multnomah Avenue, Suite 600  
Portland, Oregon 97232  
503 813 - 5975 voice  
503 813 - 6260 fax  
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# 1 REQUEST FOR PROPOSALS (RFP)

PacifiCorp desires to purchase tradable renewable credits (TRC) also known as Green Tags and associated retail marketing services (RMS) for the Oregon portfolio Blended Renewable and/or Habitat Mitigation options sufficient to serve the electricity needs of our customers who select these options. Bids are solicited to supply Green Tags and RMS for either portfolio option or both options. For the period from March 1, 2002 to December 31, 2003 PacifiCorp estimates customer demand to be between 15,000 and 30,000 MWh.

PacifiCorp has prepared this request for proposal (RFP) to solicit proposals from qualified persons and organizations interested in providing Green Tags and RMS. The Oregon Public Utility Commission (Commission) has required PacifiCorp to create a neutral and open bidding process for the supply of its Renewable Blended and Habitat Mitigation options. (Refer to Oregon Public Utility Commission (OPUC) Order 01-337 at (<http://www.puc.state.or.us/orders/2001ords/01-337.pdf>). For the Habitat Mitigation portfolio option, PacifiCorp will contract in a separate process with a nonprofit agency to administer funds collected for habitat mitigation. The bidder selected to supply Green Tags and RMS for the Habitat Mitigation option will work with the selected nonprofit agency to support the marketing of that option. See Appendix D for additional background information regarding the portfolio options, eligible customers, and planned company communications.

PacifiCorp will make available to the Commission, 45 days after a contract is awarded, documentation on the evaluation process utilized to determine the winning bid and supporting its selection. This information will be subject to appropriate confidentiality provisions.

Through this RFP process, PacifiCorp will contract for Green Tags from renewable energy sources and retail marketing services for those Green Tags. Green Tags must meet renewable resource standards for the renewable blended and habitat mitigation option as adopted by the Commission. The RMS portion of the proposal must address the issues raised in the RFP in a compelling and reasonable manner. PacifiCorp will also be looking for resources that meet the Renew 2000 definition for New Renewable Resource Power and Renewable Resources requirements (See Appendix B for excerpts from Renew 2000 Standards).

All proposals must meet or exceed the requirements set forth herein. PacifiCorp must receive all proposals on or before 2:00 p.m. PDT Thursday, September 20, 2001. Bidders will be screened based on responsiveness to the requirements, creditworthiness and demonstrated ability to provide adequate verification of Green Tag authenticity and benefits to PacifiCorp and PacifiCorp's customers, as determined by PacifiCorp in its sole discretion. Bids from qualified bidders will then be evaluated based on the overall cost, product mix, RMS approach and demonstrated marketing experience. Bidders will be advised of the status of their proposal upon completion of the selection process. PacifiCorp will negotiate a contract only with the winning bidder(s). PacifiCorp reserves the right, at any time, to reject any or all proposals as described in Section 8.2.

NOTE: Age, location and type of TRCs may impact marketability of the product. PacifiCorp will accept TRCs generated from any location and will give preference to TRCs generated within the Western Systems Coordinating Council (WSCC). PacifiCorp, may also give preference to renewable type (wind, solar, biomass, and geothermal) and age of generation.

## 2 GENERAL PROCEDURES

### 2.1 Notice of Intent to Respond

Respondents are requested to complete the "Notice of Intent to Respond" form, included in Appendix "A", in order to be notified of updates to this RFP. Future correspondence, including any clarifications, related to this RFP will be sent only to Respondents that return the Notice of Intent to Respond.

### 2.2 Clarifications

**To Respondents** - Respondents desiring any clarification or explanation regarding this RFP may write, phone, fax, or e-mail to:

Roby Roberts  
PacifiCorp  
825 NE Multnomah Avenue, Suite 600  
Portland, Oregon 97232  
503 813-5975 voice  
503 813-6260 fax  
[robby.roberts@pacificorp.com](mailto:robby.roberts@pacificorp.com)

Insofar as practicable, questions concerning the RFP should be submitted with the Notice of Intent to Respond. All questions will be answered in writing or over the telephone.

**To PacifiCorp** - PacifiCorp will perform an initial review of the proposals to determine if all required information has been provided. Where deficiencies are not material, PacifiCorp may, at its sole discretion, grant a period of five (5) working days to the Respondent to cure such deficiencies.

### 2.3 Proposal Submittal

Four (4) copies of the proposal are required and shall be delivered to:

#### ROUTINE MAIL & OVERNIGHT DELIVERY

PacifiCorp  
Attn: Roby Roberts  
825 NE Multnomah Avenue, Suite 600  
Portland, Oregon 97232

#### HAND DELIVERY

PacifiCorp  
Attn: Roby Roberts  
825 NE Multnomah Avenue, Suite 600  
Portland, Oregon 97232

The proposal shall be sealed in an envelope and the exterior marked with the following, to distinguish it from routine mail:

RFP - CONFIDENTIAL  
TRADABLE RENEWABLE CREDITS AND ASSOCIATED MARKETING  
Proposal Due Date and Time: SEPTEMBER 20, 2001 – 2:00 p.m. PDT

No oral or telephonic Proposals will be considered.

It is the sole responsibility of the Respondent to see that its proposal is received by the date and time due. Any proposal received after the stated deadline will be rejected.

All proposals shall be prepared and submitted in accordance with these instructions and all proposals submitted shall become the property of the Company.

Each proposal shall be effective for a minimum of 180 days after the response deadline. Respondents may be requested to extend their proposal until an agreement is reached.

### **3 DEFINITIONS**

"Green Tag" means: (i) the Non-Power Attributes associated with a Specified Resource or the generation of power therefrom and (ii) the Green Tag Reporting Rights arising therefrom or connected therewith. One Green Tag represents the Non-Power Attributes and Green Tag Reporting Rights associated with 1 MWh generated by the Specified Resource. All Green Tags must be fully transferable to PacifiCorp, free from any rights of others.

"Customer Care" means direct and indirect contact with customers in response to such items as general information requests, enrollment processing and retention activities. This includes web, written correspondence and phone contact.

"Green Tag Reporting Right" means the right of PacifiCorp to report to any agency, authority or other party, including without limitation under Section 1605(b) of the Energy Policy Act of 1992, or under any present or future domestic, international or foreign emissions trading program, that it owns the Non-Power Attributes.

"Marketing" means all mass media, customer communications and outreach activities associated with increasing and maintaining customer participation in these products.

"Non-Power Attributes" are the environmental, power source, and emission characteristics, credits, allowances, reductions, offsets and benefits of a Specified Resource or the generation of power therefrom and include without limitation any avoided emissions of substances to air, soil or water, including without limitation nitrogen oxides (NOx), carbon monoxide (CO), mercury (Hg), carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), other greenhouse gases (GHGs) designated as such by the United Nations Intergovernmental Panel on

Climate Change, and any other pollutant that is now or may in the future be regulated or tradable anywhere, whether or not any such legislation, regulation or trading program is ever enacted, implemented or promulgated. Notwithstanding the foregoing, Non-Power Attributes do not include anything that PacifiCorp, in its sole judgment, deems to expose it to the threat of liability. Non-Power Attributes are expressed in MWh, and are not a calculation of the quantity of avoided emissions.

"Respondent" means a qualified person or entity proposing to provide Green Tags.

"Proposal" means a response to this RFP by a Respondent.

"Specific Resource" means the facility designated by Respondent from which power is to be generated.

NOTE: Sales of Green Tags are not sales of physical power. PacifiCorp is buying only the Green Tags from the Specified Resources. Respondent may use or sell the power from the Specified Resources to third parties, but may not represent such power as possessing its Non-Power Attributes, and may not resell the Green Tags for the same power to other parties.

## **4 SCHEDULE**

### **4.1 Tentative Schedule of Events**

An approximate schedule for proposal evaluation and Respondent selection is as follows:

- RFP Release Thursday, August 23
- Proposals Due Thursday, September 20
- Agreements Executed by PacifiCorp after obtaining necessary board approval no later than Thursday, October 18
- Tariffs filed with Commission, Monday, October 22

## **5 EVALUATION**

### **5.1 Proposal Evaluation and Discussions**

PacifiCorp may award a contract on the basis of proposals submitted, without discussions, or may negotiate further with those Respondents at its sole discretion.

Proposals should be submitted on the most favorable terms the Respondent can provide. The authority for any agreement to contract rests with PacifiCorp's Board of Directors.

PacifiCorp will perform an initial review of the proposals to determine if all required information has been provided. Where deficiencies are not material, PacifiCorp may, in its sole discretion, grant a period of five (5) working days to the Respondent to cure such deficiencies.

Proposals should support the Considerations for Designing Portfolio Options adopted by the Portfolio Advisory Committee and attached by Commission Order 01-337 (<http://www.puc.state.or.us/orders/2001ords/01-337.pdf>).

Respondents will be qualified based on:

- Creditworthiness
- Experience in renewable energy and retail marketing
- Demonstrated ability to provide adequate verification of Green Tag authenticity
- Ability to deliver the proposed product meeting or exceeding renewable resource standards for the options as adopted by the Commission on March 20, 2001

Once qualified, subject to the requirements of this RFP, Proposals will be evaluated based on the following factors:

Weight	Evaluation Factor
50%	Competitive overall price, including implementation cost
15%	TRCs Appeal to consumers (sources, age, and location of TRCs) may impact the marketability of the product. PacifiCorp will accept TRCs generated from any location but will give preference to TRCs generated within the WSCC. PacifiCorp, may also give preference to renewable type (wind, solar, biomass, and geothermal) and age of generation.
10%	Risks associated with the proposal, including exposure to market prices
20%	Quality of retail marketing services including presentation of a practical marketing approach that demonstrates an understanding of how to effectively sell these products in PacifiCorp's predominately rural Oregon market at a competitive price and ability to work with PacifiCorp and other involved parties.
5%	Demonstration of the experience and ability to address customer issues

After the proposals have been reviewed and evaluated, selected Respondents may be asked to make a presentation of their proposal to PacifiCorp personnel and field questions concerning the proposal. After the interviews and the evaluation are completed, one or more Respondents may be requested to enter into contract negotiations.

In order to ensure proper consideration to special provisions of the proposal, respondents should explain in detail any provisions that may not be obvious. Clearly mark portions of a proposal that are variances of a base proposal. It is critical that proposals be clear and concise as to what is offered.

## 5.2 Awards

The Successful Respondent will commence the process of contracting to provide Green Tags and RMS to PacifiCorp under the following procedure: PacifiCorp will deliver a form of contract, which the parties will then negotiate. No obligations or legal relations shall exist between PacifiCorp and Respondent until the definitive execution of final documentation acceptable to PacifiCorp in its sole discretion.

PacifiCorp will work with the successful bidder to estimate the total Green Tags and RMS it will need for the 22-month term of the contract, although PacifiCorp shall not be obligated to purchase any minimum number of Green Tags and RMS from anyone.

The successful Respondent will be able to deliver attestations for all Green Tags. The Green Tags must match actual customer demand and will not be paid for until PacifiCorp receives required attestations. [For an example of an attestation, see Appendix C.]

## **6 DETAILED PROPOSAL REQUIREMENTS**

### **6.1 Provide the following information:**

#### **Retail Marketing:**

- a. Describe your experience in successfully marketing block and blended green power products. Provide samples of marketing literature.
- b. Provide your high-level marketing plan describing your approach to marketing the Oregon portfolio Blended Renewable and/or Habitat Mitigation options. Show consideration you will give to marketing in Pacific Power's Oregon non-urban rural markets. What strategies will you use to make renewable energy tangible and more appealing to the mainstream vs. the greenest of consumers? Provide examples.
- e. How would you propose working in collaboration with the utility and, if proposing to supply the Habitat Restoration portfolio option, PacifiCorp's selected nonprofit agency? Provide a general outline of the expected roles and responsibilities of each party.
- c. How would you plan to coordinate with Pacific Power's portfolio customer education initiatives?
- d. Describe your expected use of the following possible marketing channels. Include reasons why or why not and estimated budgets (by option if different):
  - Mass media (radio/newspaper/television)
  - Direct Mail
  - Telemarketing
  - Affiliation/Relationship marketing
  - Event outreach
  - Door-to-door canvassing
  - Other
- f. Describe your expected participation results by option, over time.
- g. Describe what market research, if any, you plan on executing and how you will evaluate your marketing effectiveness.



- h. Describe your suggested approach to customer relations, including any training processes and expected ongoing customer contact.
- i. Please provide letters of endorsements or a list of references demonstrating support of your work by environmental organizations.
- j. Do you have the proper licensing in place to do business in the State of Oregon?

Green Tags:

- a. Certainty of the availability of Green Tags sufficient to meet our demand requirements.
- b. Describe any potential constraints to deliver the Green Tags according to the 5.2 Awards Section.
- c. Describe any other operational constraints of which PacifiCorp should be aware.
- d. Describe your process for acquisition of Green Tags and the source, whether it is from market purchases and contracts or from owned or shared generation resources.
- e. Describe the contract chain used for demonstrating the Green Tags Reporting Rights.
- f. Provide information regarding creditworthiness as required by PacifiCorp including the name of the legal entity making the proposal, 2 years of financial statements (audited if available) and three credit references.
- g. All Green Tags must meet the renewable resource standards for the blended renewable and habitat mitigation option as adopted by the Commission and meet Renew 2000's definition of New Renewable Resource Power and Renewable Resources requirements (Appendix B).
- k. All Green Tags must contain documented reporting rights for authenticity purposes provided by a third party.
- l. Bidders must deliver TRCs within one or two years of consumer's purchases of energy under the respective portfolio option.

6.2 Pricing

State the price per MWh for the entire 22-month term of the Green Tags and RMS contract.

6.3 Guarantees

- a. Describe any guarantees or other forms of security for performance, such as a bond or similar security.
- b. Performance and other guarantees that are made as part of the RFP may be incorporated into the ultimate contract and used for contract compliance.

## **7 CONTENT OF RESPONSE**

All proposals should be in the format described herein. All requested information applicable to the Respondent's proposal should be supplied. Additional or separate information submitted will be accepted without prejudice to the proposal and will be considered in its applicable context, however, Respondents should avoid including extraneous information.

Proposals should include the following information in the order listed:

### **7.1 Letter of Transmittal.**

7.1.1 Briefly state the Respondent understands the proposal and what is being offered to PacifiCorp.

7.1.2 The address used in the proposal shall be considered the legal address of the Respondent and shall be changed only by written notice to the PacifiCorp. The Respondent shall supply an address to which certified mail can be delivered. The delivery of any communication to the Respondent either personally, or to such address deposited in the United States Mail, registered or certified with postage prepaid, addressed to the Respondent at such address, shall constitute a legal service thereof.

### **7.2 Table of Contents**

Include a clear identification of the proposal by section and by page number.

### **7.3 Contractor's Qualification**

Identify the facility(s) or project(s). Briefly describe the facility or project making sure it meets the Oregon Public Utility Commission's Definition of Renewable Energy (included in Appendix "B").

PacifiCorp reserves the right to require, in PacifiCorp's sole opinion, adequate credit assurances which may include, but are not limited to, a corporate parental guaranty and/or a letter of credit in a form, amount, and from a financial institution acceptable to PacifiCorp.

## **8 DISCUSSIONS AND RIGHT TO REJECT PROPOSALS**

### **8.1 PacifiCorp's Rights and Options**

This RFP contains only an invitation to make Proposals to PacifiCorp. No Proposal is a binding contract unless the parties execute definitive and complete documentation so providing.

PacifiCorp may in its sole discretion do any one or more of the following:

- a. Determine which Proposals are eligible for consideration in response to this RFP.
- b. Issue additional subsequent solicitations for information, and conduct investigations with respect to the qualifications of each Respondent.

- c. Disqualify Proposals contemplating Specified Resources that do not meet the Oregon Public Utility Commission's definition of renewable energy products containing significant new resources or any other renewable portfolio standards.
- d. Supplement, amend, or otherwise modify this RFP, or cancel this RFP with or without the substitution of another RFP.
- e. Negotiate with Respondents to amend any Proposal.
- f. Select and enter into agreements with the Respondents who, in PacifiCorp's sole judgement, are most responsive to the RFP and whose Proposals best satisfy the interests of PacifiCorp and its customers, and not necessarily on the basis of price alone or any other single factor.
- g. Issue additional subsequent solicitations for Proposals.
- h. Waive any irregularity or informality on any Proposal to the extent not prohibited by law.
- i. Reject any or all Proposals in whole or in part.
- j. Vary any timetable.
- k. Conduct any briefing session or further RFP process on any terms and conditions.
- l. Withdraw any invitation to submit a response.
- m. Order all or none or part of the Green Tags or RMS, and in any quantity for delivery without providing reasons and without being liable for any compensation to any party except to the extent of the services ordered and satisfactorily provided pursuant to the terms of an executed agreement.

## 8.2 Basis for Rejection

Proposals may be rejected for any of the reasons including but not limited to:

- a. Receipt of the proposal by PacifiCorp after the Response Deadline.
- b. Failure to meet the requirements described in this RFP.
- c. Failure to submit a complete proposal with pertinent information necessary for evaluation.
- d. Failure of the Respondent's authorized officer to sign the proposal.
- e. Inability or unwillingness of the Respondent to provide any security or surety required for performance.
- f. If the Proposal is not a firm offer for at least 180 days from the Response Deadline.

- g. Misrepresentation.
- h. Failure to permit disclosure of information contained in the Proposal to PacifiCorp agents, contractors or Commission.
- i. Any attempt to influence PacifiCorp's evaluation of the Proposals outside the solicitation process.
- j. Any change in regulation or regulatory requirements.
- k. Failure of the Specified Resource to meet the Oregon Public Utility Commission's definition of renewable energy products containing significant new resources or any other renewable portfolio standards.
- l. Any matter impairing Respondent, Specified Resources or the generation of power or Non-Power Attributes therefrom or the delivery of Green Tags.

## **9 EXPENSES OF PREPARING PROPOSALS**

Each Proposal will be prepared at the sole cost and expense of the Respondent and with the express understanding that there will be no claims whatsoever for reimbursement from PacifiCorp. PacifiCorp is not liable for any costs incurred by Respondents in responding to this RFP or for any damages arising out of or relating to PacifiCorp's rejection of any Proposal for any reason. Respondent shall bear all costs and expenses of any response to PacifiCorp in connection with its Proposal, including providing additional information and Respondent's own expenses in negotiating and reviewing any documentation.

## **10 DISPOSITION OF PROPOSALS AND OWNERSHIP OF DATA**

All Proposals belong to PacifiCorp and will not be returned. PacifiCorp will use reasonable efforts to protect information clearly and prominently marked as proprietary and confidential on the page it appears, but reserves the right to release such information to agents or contractors to help evaluate the Proposal. PacifiCorp shall not be liable for any damages resulting from any disclosure of such information, howsoever occurring.

## **11 CONTRACT PERIOD**

PacifiCorp wants Green Tags and RMS sufficient to serve the electricity demands of customers who select the Blended Renewable and Habitat Mitigation portfolio options for the period from March 1, 2002 to December 31, 2003. PacifiCorp estimates customer demand for Green Tags to be 15,000 to 30,000 MWh (actual amount will depend on customer participation). The final contract will include performance requirements to assure compliance with contractual commitments.

## **12 SIGNATURES AND DECLARATIONS**

Proposals must be submitted in the legal name of the Respondent who would be bound by any agreement with PacifiCorp, and must include the following declaration:

“This proposal is genuine, and not sham or collusive, nor made in the interest or on behalf of any person not herein named; the Respondent has not directly or indirectly induced or solicited any other Respondent to put in a sham bid, or any other person, firm, or corporation to refrain from submitting a proposal; and the Respondent has not in any manner sought by collusion to secure for themselves an advantage over any other Respondent.”

## Appendix A

Notice of Intent to Propose
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This is to declare that the undersigned intends to respond to PacifiCorp's:

**REQUEST FOR PROPOSAL FOR TRADABLE RENEWABLE CREDITS (GREEN TAGS)  
AND ASSOCIATED MARKETING OF THE BLENDED RENEWABLE AND/OR HABITAT  
MITIGATION OPTIONS.**

Please include:

**Company** \_\_\_\_\_

**Mailing Address/Phone/Fax/Email** \_\_\_\_\_

**Contact Person** \_\_\_\_\_

**Authorized Signature and Date** \_\_\_\_\_

Return by mail or fax within 7 days of the date of this document on the cover page to:

Roby Roberts  
PacifiCorp  
825 NE Multnomah Avenue, Suite 600  
Portland, Oregon 97232  
503 813-5975 voice  
503 813-6260 fax  
[robby.roberts@pacificorp.com](mailto:robby.roberts@pacificorp.com)

## Appendix B

### **Definition of a Significant Renewable Energy Product** (from Renew 2000 requirements):

- Levels for a renewable energy product containing "significant new" resources. That is, a block product must contain 100 percent new renewable resources, and a blended product must contain at least 15 percent new renewable resources.

### **Definition of a Blended Renewable Resource Product** (from Renew 2000 requirements):

- Product must contain a minimum of 50 percent renewable resources. The minimum required use of new renewable resources is 15 percent of the total content.
- The new renewable energy requirement may be counted toward the overall 50 percent renewable energy requirement.
- The remaining 50 percent must have air emissions and spent fuel rates that do not exceed the kilowatt averages for the electricity generating system as defined by state requirements or regional practice, except that the average kilowatt rate for carbon dioxide must meet the Oregon siting standard.
- The blended renewable resource product provides 100 percent of the customer's load.

**New Renewable Resource Power:** certified products must meet certain minimum standards for the supply of new eligible renewable energy (kWh). Renewable energy generated in response to any federal or state statutory requirement to construct or contract for the renewable energy is not eligible as new. New renewable resources are those (1) placed in operation (generating electricity) on or after May 1, 1999, therefore excluding electricity generated by that part of the Wyoming, Foote Creek Wind Project fully in service before May 1, 1999; (2) repowered on or after May 1, 1999 such that at 80% of the fair market value of the project derives from new generation equipment installed as part of the repowering, or (3) a separable improvement to or enhancement of an operating existing facility that was first placed in operation prior to May 1, 1999, such that the proposed incremental generation is contractually available for sale and metered separately than existing generation at the facility. Any enhancement of a fuel source that increases generation at an existing facility, without the construction of a new or repowered, separately metered generating unit, is not eligible to participate.

**Renewable Resources:** Eligible renewable technologies that may be used to supply certified green power marketing programs include the following: low emissions biomass - including landfill and sewage gas, geothermal, certified low impact hydroelectric, solar, wind and fuel cells using a renewable fuel.

# Appendix C

## Example of a Green Tag Attestation

Generator Name	Generator ID Number	Fuel Type	KWh of Energy	Period Delivered

As an authorized agent of Selling Company Name (“the Power Provider”), I declare under penalty of perjury, that the information provided on this form is true and correct to the best of my knowledge. I further declare that the green tags environmental attributes a) are from eligible renewable generators where energy is claimed as renewable, b) were not sold to any end-use customer, c) were not used for on-site generation, and d) were sold to PacifiCorp and only to PacifiCorp. I attest that the above statements are true and correct.

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Place of Execution: \_\_\_\_\_

The information provided in this Form may be used by PacifiCorp and PacifiCorp’s auditors, on a confidential basis, to substantiate and/or verify the accuracy of advertising and/or product content claims of PacifiCorp or its customers. This information will remain confidential to PacifiCorp unless a state or federal government agency specifically requests verification of the accuracy of advertising and/or product content claims of PacifiCorp or its customers. PacifiCorp shall be entitled to disclose publicly the fact that it purchased energy or environmental attributes from the generating units identified herein. For additional release of information in this form, PacifiCorp must obtain the approval from the authorized agent.



# Appendix D

## Background Information

As directed in Commission Order 01-337, PacifiCorp must offer each residential and small nonresidential customer a portfolio of product and pricing options. Five options have been developed and are currently under Commission review. Those options are Time of Use, Market Rate, Renewable Block, Renewable Blended and Habitat Mitigation Block. This RFP pertains only to the last two options.

PacifiCorp will work with other Oregon utilities to implement a comprehensive customer education and awareness program to introduce SB1149 portfolio options to customers prior to March 1, 2002. This portfolio education and awareness campaign will include direct mail and mass media to educate residential and small business customers about portfolio options. On a yearly basis, PacifiCorp will send enrollment information on all options to the approximately 430,000 residential and 70,000 small non-residential eligible Oregon customers. In addition, at a minimum, portfolio enrollment information will be sent on a routine basis to all new customer accounts and information will be available on the Pacific Power web site. Additional marketing may include periodic bill inserts, articles in the VOICES customer newsletter and bill messages.

PacifiCorp currently markets the Blue Sky block program. Ongoing marketing of this product includes bill inserts, work with environmental organizations and customer newsletters.

The Blended Renewable and Habitat Mitigation options may be described to customers in the following way:

**Blended Renewable** is for customers who have an interest in supporting renewable energy resources and want their actual usage tied to renewable power. Customers who choose this option would be billed for the electricity they use at a rate equal to the cost of service plus the cost of Green Tags. Under this option, 100% of the power will be matched with environmental attributes from renewable resources.

**Habitat Mitigation** offers customers the opportunity to help restore fish habitat and reduce their reliance on electricity sources that are harmful to fish. Under this option, a customer's actual energy use is billed at the cost-of-service rate plus the cost of green tags plus a premium to support habitat restoration. As a result, a portion of the charge goes directly toward the restoration of fish habitats and a portion goes toward the purchasing the environmental attributes of fish-friendly renewable power, such as wind, geothermal or low impact hydroelectricity. The Green Tags and habitat restoration premiums are billed on a "block" basis, a fixed

monthly amount that does not vary with usage. Consumers may buy multiple 100 kWh blocks, allowing them to increase their level of support for renewable resources and habitat restoration. The Commission's rules do not require that TRCs for the Habitat Mitigation be from new resources.

For each of these two options, the environmental attributes will be obtained via the TRCs sought by this RFP. These options are both new. It is difficult to predict how many customers will choose the available options, how long any customer will remain with any particular option, and how many blocks a participant in the Habitat Mitigation option may choose.